



The President's Daily Brief

25 July 1973

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THE PRESIDENT'S DAILY BRIEF

25 July 1973

PRINCIPAL DEVELOPMENTS

In Chile, the political situation remains tense, and a formula for compromise remains elusive as long as the military insists on real power and the Communists and Socialists remain unwilling to share it. (Page 1)

Early figures on China's spring crop indicate some improvement over last year's subnormal production, but Peking is cautioning against premature optimism. (Page 2)

Libya reportedly has requested a delay in French delivery of 15 more Mirage aircraft probably because Tripoli lacks enough qualified pilots to fly them. (Page 3)



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CHILE

The political situation remains tense. Most businesses and professional guilds have reportedly postponed their planned nationwide strike, but workers still occupy industries seized last month, the truck owners' confederation may stage a walkout, and soldiers and police continue to search for illegal arms. President Allende, moreover, is facing a congressional inquiry into charges that the congressional elections last March were tainted by massive electoral fraud.

The feeling that something must be done is spreading within the armed forces, although most ranking officers still apparently believe that working through the present government is better than risking a coup. Allende, who has been meeting with commanders of the three services and with leaders of his own coalition, may be hoping to get the military back into the cabinet on terms satisfactory to both sides. A formula will remain elusive, however, as long as the military insists on real power and the Communists and Socialists remain unwilling to share it.

None of the contending factions--the government, the military, and the civilian opposition--can be sure of winning the present war of nerves or an armed confrontation, and all might welcome a political truce. The opposition Christian Democrats, for example, may open a dialogue with Allende's Popular Unity coalition if representatives of the military are brought into the cabinet.

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CHINA

Early figures on the spring crop indicate some improvement over last year's production, largely due to increased acreage. Peking, nevertheless, is cautioning against premature optimism.

In the wake of last year's subnormal harvest--which resulted primarily from bad weather--Peking took several steps to shift more manpower to agriculture, including

--a five-percent ceiling on the number of workers permitted on nonfarming tasks in the countryside,

--a freeze on the hiring of factory workers in urban areas, and

--an acceleration of the campaign to send city youth to work in agriculture.

These measures, implemented in the spring, came too late to affect the early crop, which accounts for about a third of the annual harvest. The full impact will not be noticeable until fall.

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The 1972 harvest had its political repercussions as well.

Vice Premier Li Fu-chun accepted the blame last winter for low crop returns, stating that he had assigned too much manpower to factory jobs and had thereby damaged the agricultural sector. By assuming the role of scapegoat, he deflected criticism from others more directly involved in managing the economy. He was replaced as chief economic planner by Yu Chiu-li, who is a close associate of Chou En-lai.

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LIBYA-FRANCE

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At Libya's request [redacted]

[redacted] France recently delayed delivery
of 15 Mirage aircraft. At least 80 of the 120
Mirages ordered by Libya have arrived.

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A shortage of pilots qualified to fly
Mirages is the most likely reason for
Tripoli's request for delay. Despite
training [redacted]
only some 20 Libyan pilots may be quali-
fied, and even they have yet to demon-
strate combat proficiency. Tripoli has
relied on [redacted] pilots
to supplement its own.

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All of the aircraft are scheduled for de-
livery by early next year. Without qualifi-
ed pilots to fly them, however, the ar-
rival of the remaining Mirages would only
add to Libya's storage and maintenance
burden.

Tripoli is also concerned about the vul-
nerability of its aircraft to an Israeli
attack. [redacted]

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[redacted] its air defense
system remains inadequate.

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NOTES

France-USSR: During his visit to Moscow later this week, Foreign Minister Jobert expects to round out the *tour d'horizon* he began with Gromyko during Brezhnev's stop in Paris late last month. Jobert,

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[redacted] Jobert nevertheless intends to probe Soviet intentions toward Europe, using a draft "main final document" presented by the Soviets at the CSCE ministerial in Helsinki as an opening wedge. The two sides will sign a ten-year accord for scientific and technical cooperation.

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Iran-Jordan-Tunisia: Tehran's latest display of support for the Arab moderates includes loans of \$5 million each to Jordan and Tunisia. Although not known for his largesse, the Shah is anxious to cultivate better relations with Husayn and Bourguiba and to enable both leaders to resist financial pressures by the "progressive" Arab states. Husayn in particular has been under pressure to revise his strong anti-fedayeen position in return for financial assistance from Kuwait.

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